P 31E

present

App. F. IX-4

1936-7

File No. 11-36

Previous References

Legh 18-35-1

Serial Nos. 87, 88, 137, 283, 305, 309-311, 314

Ins 14-33 Leg

Letter References.

C. S

PRESERVED

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Nine

Part B for Jany. 39.

SUBJECT.

Exclusion of the provision of Section 66 of the Regulation to the Apex Bank and Central Bank

D 6850 & 20.1.39.

WD 0418—GPB—22,500—29-8-36

states that order already passed need no reconsideration.

Ins.

4436

GENERAL AND REVENUE SECRETARIAT.

(bs)

NOTES.

File No. 11-36

FILE HEADING.

Recommendations of the Committee on Cooperation in Mysore

FROM The Registrar of Cooperative Societies in Mysore

No. 6723 Dated 16-2-37 Received 17-2-37

Diary No. 4436 Enclos. — Spare copies — Serial No. 5

BRIEF ABSTRACT OF LETTER

Requests amendment of sec 66 of the Cst Regulation so as to extend the privileges of distraint and sale of the produce of the mortgaged property, to the case of loans issued by the Urban Bank and Central Cooperative Boards

NOTES AND ORDERS.

Levi 18-3-37

1) A Copy of the Regulation Containing sec 66 is put up herewith together with the file leading to the it.

2) The object of introducing the legislation was to facilitate the successful working of the Land mortgage scheme by making arrangements for the speedy recovery of dues from the defaulters in L.M. Societies

3) The Committee on Cooperation recommend the extension of this provision to the Cooperative

WD 69—GBPM—5,000—14-7-31

4434

Extension of the privilege of distraint & sale of properties mortgaged to other Co-op institutions

institutions. The Registrar while furnishing his views on this question is of opinion that the concessions hitherto in the distraint and sale of property may be extended only to the loans granted on agricultural lands out of moneys borrowed from any of the Central institutions inclusive of the Trivandrum Central Co-operative Bank provided that when distraint of property is sought, the instalment to be recovered is small enough to be easily realisable out of the property after leaving a sufficient margin for the subsistence of the debtor" and suggests the amendment of sec 66 "so as to extend the privilege to the case of loans issued by the Apex Bank and the Central Co-op Banks" subject to the previous sanction above

Submitted for orders

15/3/37

4) It seems desirable and necessary to amend the law as proposed by the Registrar

Yes

Gen Secy) 16.3.37

5) The Registrar may be asked to submit a draft amendment to sec 66. of the Regulation, with the St[t] of objects & reasons for the proposed amendment.

Second M[r])

19/3/37

6) 22/3/37

GENERAL SECRETARIAT
16 MAR. 1937
491

OFFICE OF THE SECOND MEMBER
NO 6486

Extension of the provision of Sec 66 of the Regulation to Agricultural + Central Bank 4.3.4 ✓214

General and Revenue Secretariat | 65 File No. 11 of 1936 | [App. F. III—2

Serial No.

1) Draft reply to the Registrar is submitted for approval

Sd
25/3/37

2) Issued
Sd
25-3-37

88 To The Registrar of C.S. D 6409. 1-4-37
Regrets to submit an amendment draft to Section 66 of the Regulation.

GENERAL REV. SECT
2 APR 1937

GENERAL SECRETARIAT
EXPORTATION
DEVELOPMENT BRANCH
3 - APR. 1937

Sd

Reminder cover Do. No D-68 dated 4/7/37

137 Letter No 214 dated the 12th July 1937 from the Registrar C.S. forwarding a draft amendment to Section 66 of the Regulation

1) The amendment forwarded by the Registrar is in the form of a note to Section 66 of the Regulation In Section 66 the terms "Bank" and the "Central Bank" are defined in the Regulation to mean the "Cooperative Land Mortgage Bank" and the "Central Cooperative Land Mortgage Bank" respectively. It is for consideration whether the addition of a note to this Section will be sufficient to meet the requirements as per recommendation of the Committee on Cooperation, or whether the Section itself has to be suitably amended. Submit for orders

Sd
17/7/37

2) The Law Dept may be consulted in the matter if so

Sd

NOTE—Contn. Sheet.

WE 0417—GPB—30000—8-3-36

987/37

Amendment of Sec 66 of the Co-operative Credits Regulation

G.S. File No. 11 of 1936 | General and Revenue Secretariat

Serial No.

Gl. objn VII

10) This amendment along with others will be considered together as ordered by the Member in another file.

Secy A.S.G. 10.8.37

Please consult Law Section in point raised in last part of para 9

10-8-37

10.8.37

This essay may be sent to the Law Section for favour of remarks. Thos

10/8 (D) (K) (3)

Law Section

1) Received in Sir Thomas's room from the L.S.G. Secretary. He was pleased to say that all the amendments to be proposed to the Regulation might be considered together, instead of considering them in a piecemeal manner. The file is accordingly returned.

BKR 30-8-37

Under Secy Develop W.C.

11) The Revenue Commissioner

51 Law BKR 11/8

10.8.37

Govt Bill

10-37

3 SEP. 1937

DEVELOPMENT FINANCE

Serial No.

1937

be consulted with regard to this proposal on its merits.

DLL
4/8/38

5-8-38

1) Dft Ltr for Appr

Stark
5/8/38

2) Issue

6.8

No. D 1094 dt 12-8-38 To the Rev. Comm. in Impl. Calls for his opinion on the proposals of the Rajpipla

GEN. & REVENUE SECRETARIAT. 10 AUG 1938 DEVELOPMENT BRANCH.

Letter No D. Dis 571/38-39 dated 8/10/38 from the Revenue Comr stating the powers for attachment of crops is an extraordinary power which he is not in favour of extending as it is liable to be abused

17) Submitted for orders with reference to Para 11 above

Stark
20/10/38

18) Secy (A.S.G.)

20/10.

20-10-38

19) H Member

20) I agree with the Rev. Comm.

DLL
25/10/38

25/10 25/10

SECOND MEMBER OF COUNCIL 4 AUG 1938 No. 702

OCT 1938

NOTE—Contn. Sheet.

WD 0417—GPB—30,000—8-9-36

Amendment of Sec 66 of the 1937 C.J Act

File No. 11 of 1936 | General and Revenue Secretariat

Serial No.

21) Draft reply to the Registrar is submitted for approval

26/10/38

22) Issue

26/10

Letter No D 3864 dated 2-11-38 to the Reg. Co. stating that Govt are in favour of the amendment

Memo No D 3865 dated 2-11-38 to the Res Case forwarding copy of the above letter

23) The papers were placed before the meeting with the Diwan on 2.11.38 and may perhaps be discussed further as the interests of the Provincial Co-op Bank & Agri Bank Ltd are I member.

3 11 38

I member)

SECOND MEETING OF COUNCIL
3 NOV 1938
No. 3484

3.11.38

24) Issue

4/11/38

4.11.38

4/11/38

Amendment of Sec 66 of the C.S. Regulation 1937

General and Revenue Secretariat

File No. 11 of 1936. [App. F. III–2

Serial No.	
	Item 6
	1) A copy of the proceedings of the meeting with the Reg Cs. & the President of the Allo Bank is put up herewith for perusal. It has been ordered therein that the question of attaching crops for instalments pertaining to one year may be examined with reference to the practice in other provinces. A draft letter to the Registrar of Cs. requesting him to furnish information re the practice in other provinces is laid for approval. 6/12/38 2) Yours 6/12/38
310	No. D.5171 Dy 8-12-38 To the Registrar C.S. Calls for information re the practice on the question of attaching crops for the instalment dues to Co.op Cs. in the British Indian Provinces and other Indian States.
311	Letter No. 7328 dated 12/12/38 from the Registrar Cs. furnishing the information called for
	1) The Registrar reports that, except in Bengal and Madras where there is provision for attaching crops for the instalment dues only to L.M. Societies, there is no similar provision in any of the British Indian Provinces or States. In Madras there is provision for distraint of crops for the amounts due to a society only under a decree or award

NOTE—Contn. Sheet.

1937 S 3203

6J File No. 11 of 1936. | General and Revenue Secretariat

Serial No.

of the Registrar or Arbitrator. The Registrar reports that the Burma Provincial Bank has to be financed to the extent of Rs 50 lakhs which remains still unrecovered. To avoid such a risk he recommends the extension of section 66 of the Myoza Act to Agri Bank and societies indebted to the Agri Bank. Rules for orders

Rev. commissioner may perhaps be consulted. The attachment of standing crops for Society dues - instalment - may perhaps affect recovery of land-tax revenue due to Govt.

Secy: LSGJ.

19.12.36

Attached are the views of the Registrar of Co-operative Societies on the recommendations of the Co-operative Committee. Please see.

23/12

20/12/36

Kind reference is invited to the letter dated 8/10/35 from the Revenue Commissioner forwarding the extension of the application of Sec 66 to the other Societies.

May 4

General and Revenue Secretariat | File No. 11 of 1936 | [App. F. III—

Serial No.

and the order of the ~~Secondmember~~ thereon are contained in Para 20 above. The orders were duly communicated to the Registrar. The Registrar brought up the question as an ~~ad~~ reconsideration at the ~~monthly~~ meeting held on 15/11/38. The question was ordered to be reexamined with reference to the practice in other Provinces. Submitted for orders

HD 27/12/38

HM 26/1/39

Dear ~~Chief~~ Secy

Secretariat

HM 10.1.39.

The orders already passed need no reconsideration. They are also in conformity with the practice in Bo Indian Provinces

HD 19.1.39

HM 16.1.

HM 16/1/39

Draft reply to the Registrar is submitted above

HD 17/1/39

HM 17.1.39

No D 6550 of 20.1.39 To the Registrar C.S. To the Regr. C.S. States that orders already passed need no Consideration

GOVT OF BOMBAY SECOND MINISTRY 11 JAN. 1939 No. 6395

GOVT OF BOMBAY LOCAL SELF GOVT 16 JAN 19

GEN. & REVENUE SECTION JAN 1939 BOMBAY GOVT

WD 01955—GPB—22,500—12-6 34

6723 C.S.

GOVERNMENT OF MYSORE

DEPARTMENT OF CO-OPERATION,

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE,

Telegraphic Adderss: "CO-OPERT" BANGALORE

C.S. 11-36-57

Dated, Bangalore, 16th February 1937

From

GULAM MOHIYUDDIN MEHKRI, ESQ., B.A., LL.B.,
Registrar of Co-operative Societies in Mysore, Bangalore.

1 FEB 1937

DEVELOPMENT BRANCH

To

M.Venkatesa Iyengar,Esq.,M.A.,
General Secretary to the Government
of Mysore, B a n g a l o r e.

GENERAL SECRETARY. 16 FEB 1937

Sir,

I have the honour to invite your kind reference to the recommendation of the Co-operative Enquiry Committee in page 123 of the Report regarding the extension of the privilege of distraint and sale of the produce of mortgaged property through the Registrar under Section 66 of the Mysore Co-operative Societies' Regulation to other Co-operative Institutions and to state that the Central Co-operative Bank and the Apex Bank have been lending large sums for the redemption of prior debts, even before the Land Mortgage Bank was established and are carrying on their business even now in areas where the Land Mortgage Bank has not extended its operations. I therefore think that the arguments which moved the Government to introduce Section 66 into the Co-operative Societies' Regulation for the recovery of instalments due to the Land Mortgage Co-operative Societies apply as strongly to the case of similar loans issued by the Central Institutions. I therefore suggest that Section 66 may be further amended so as to extend the privilege to the case of loans issued by the Apex Bank and the Central Co-operative Bank provided that when distraint of produce is sought, the instalment to be recovered is small enough to be realisable out of the produce, after leaving sufficient margin for subsistence of the debtor. This would facilitate very greatly the prompt recovery of the loans due to the Central Institutions and their transactions. If these proposals are viewed favourably by Government, I shall submit a draft amendment to Section 66 of the Mysore Co-operative Societies' Regulation.

I have the honour to be,
Sir,
Your most obedient servant,

M. S. [illegible]
Registrar.

L.S.13/2.

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

C.S. 11-36-88

D. 6409

1-4-1937

(Sd) Mr K. Subba Rao

The Registrar of C.S.

Sir

Adverting to your letter No 6723 dated (6-2-37) on the extension of the provisions of sec 66 of the C.S. regulation to the Apex Bank and the Central Co-op Banks I am directed to request you to kindly submit a draft amendment to sec 66 of the Regulation with a Statement of ~~objects~~ objects and reasons for the proposed amendment

I have etc

25.3.37
J Jenkey

WD 08608—GPB—15,000—8-7-35

GOVERNMENT OF MYSORE

No. 11 C.S.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" BANGALORE

C.S.11-36-137

Dated, Bangalore 1 July 1937.

From M.Abdul Hukh, Esq., B.A.,
Registrar of Co-operative Societies in Mysore,
Bangalore.

To M.Venkatesa Iyengar, Esq., M.A.,
General Secretary to the Government
of Mysore, Bangalore.

Sir,

With reference to your letter No.D.6409/C.S.11-36-88 dated 1st April 1937 and reminder thereto No.D.68/C.S.11-36-R. dated 2nd July 1937, I have the honour to submit herewith a draft amendment to Section 66 of the Mysore Co-operative Societies' Regulation VII of 1918 as amended from time to time with a statement of objects and reasons for the proposed amendment.

I have the honour to be,
Sir,
Your most obedient servant,

Registrar.

L.S.10/7.

Amendment to Section 66 of the Mysore Co-operative Societies' Regulation No.VII of 1918, as amended from time to time, by the addition of a Note at its end.

==========

Note: The provisions of this Section shall also apply to the recovery of any instalment payable under a mortgage executed in favour of a Co-operative Credit Society, such mortgage loan being advanced out of funds borrowed from the Mysore Provincial Co-operative Apex Bank,Ltd., and the Central Co-operative Bank, Ltd., Bangalore, provided that the instalment fell due not earlier than 12 months preceding the date of application.

****

Registrar.

Obects and reasons for extending the privilege of distraint and sale of the produce of mortgaged property through the Registrar under Section 66 of the Mysore Co-operative Societies' Regulation to the case of loans issued by the Mysore Provincial Co-operative Apex Bank and the Bangalore Central Co-operative Bank,Ltd.,

+==========+

The privilege of distraint and sale of the produce of mortgaged property through the Registrar has been conceded to the Land Mortgage Bank and Societies under Section 66 of the Mysore Co-operative Societies' Regulation VII of 1918, as amended from time to time.

The Central Co-operative Bank,Ltd., and the Apex Bank,Ltd., have lent large sums for the redemption of prior debts of agriculturists on land mortgages even before the Land Mortgage Bank was established and are carrying on such business even now in areas where the Land Mortgage Bank has not extended its operations. It is felt that the reasons which moved the Government to introduce Section 66 into the Co-operative Societies' Regulation for the recovery of instalments due to the Land Mortgage Societies apply equally to the case of similar loans issued by the Central Institutions. With a view to facilitate the prompt recovery of the loans due to the Central Institutions and their transactions, it is proposed to further amend Section 66 so as to extend the privilege to the case of loans issued by the Apex Bank and the Central Co-operative Bank provided that when distraint of produce is sought, the instalment to be recovered is small enough to be realisable out of the produce after leaving sufficient margin for subsistence of the debtor.

+==========+

L.S.10/9.

Registrar.

Appendix F G—1]

SUBJECT .....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the 193 .

Date of issue.....

Signed by .....

List of enclosures.....

Copied by .....

Examined by.....

Immediate

Section 65

File No. 11-36

Serial No. 283

No. W/1094 encl - 4/Pol/8

Revenue Conv.

To The ~~Registrar of Cs~~.

Sir

I am directed to forward herewith copies of letter No 6723 dated 16/2/37 and 214 dated 12/7/37 together with enclosures from the Registrar of Cs in the matter of the amendment of section 66 of the Mysore Co-op Societies Act so as to extend the ~~exp~~ provisions of the Act to other co-operative societies. and to request you to kindly furnish your ~~remarks~~ opinion on the merits of this proposal at your earliest convenience.

I have etc

K S 6.8.

Secy. L-d 9

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Bangalore, Dated, 12th August 8.

No. Ld 1094/39. 11-36-283

Encl — 4 pages.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Local Self-Government Department.

To

The Revenue Commissioner in Mysore,
Bangalore.

Sir,

I am directed to forward herewith copies of letters No.6723 dated 16th February 1937 and 214 dated 12th ~~April~~ July 1937 together with enclosures from the Registrar of Co-operative Societies in the matter of the amendment of section 66 of the Mysore Co-operative Societies Act so as to extend the provisions of the Section to other Co-operative Societies and to request you to kindly furnish your opinion on the merits of this proposal.

I have the honor to be,

Sir,

Your most obedient servant,

For Secretary to Govt. L.S.G. Deptt

C. S. 11-36-2857

No. D1-Dis.571/38-39.

OFFICE OF THE REVENUE COMMISSIONER
IN MYSORE.

Dated Bangalore, 8th October *1938*.

From

K.V. Anantaraman, Esq., B.A.,
Revenue Commissioner in Mysore.

11 OCT 1938

GEN. & REVENUE SECRETARIAT.
12 OCT. 1938
DEVELOPMENT BRANCH.

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Local Self Government Department, Bangalore.

Subject:- Co-operative Societies Regulation - Section 66 of- amendment of - Apex Bank Ltd., and the Bangalore Central Co-operative Bank, Ltd.,

---

S i r,

With reference to your letter No.D.1094/C.S. 11-36-283 dated the 12th August 1938 calling for my opinion re: the proposed amendment to Section 66 of the Mysore Co-operative Societies Act so as to extend the provisions of the Section to the Apex Bank Ltd., and the Bangalore Central Co-operative Bank, Ltd., I have the honour to state that the provision of attaching crops is an extraordinary power which I am not in favour of extending, as it is liable to be abused.

I have the honour to be,

S i r,

Your most obedient servant,

K. Chandrasekhar

Revenue Commissioner.

BR.

Appendix F G—1]

SUBJECT .....

.....

.....

Section 68

File No. 11-36

Serial No. 309.

Diary No. of letter replied to .....

No. D 3864

To The Registrar of Cos.

General and Revenue Secretariat

( )

the *193* .

Sir

With refee to the Correspondence ending with your letter No 2 Re dated 12th July 1937 re the amendment of section 66 of the Mysore Co-operative Societies Act of 1918. I am directed to state that as that Govt Council / the practice of attaching Memt of crops is an extraordinary privilege Govt and as in favour of the amendment proposed to extending it to other Co-op. institutions I have etc

Date of issue 2/11/37

Signed by Mr. H.N.R

List of enclosures .....

Copied by .....

Examined by .....

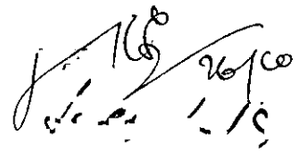
WD 0278—GPB—30,000—4-3-38

P.T.O

Memo D 3865

Books of the above mentioned
with compliments to the New Envoy
to Mexico for circulation with
reference to his letter No. 1 - Dis - 571/38 - 39
dated 8/10/38

B. L



Appendix F G—1]

SUBJECT.....

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.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193* .

Date of issue 8.12.

Signed by Mr Hariharan

List of enclosures.....

Copied by .....

Examined by.....

Section 66

File No. 11-36

Serial No. 310.

No. D5171

To The Registrar of Co.

Sir,

Adverting to the correspondence ending with your letter No. [illegible] dated the 12th July 1937 re the amendment of section 66 of the Mysore Co-operative Societies Act, I am directed to request you to kindly ~~obtain and~~ forward for the favour of good information as the practice, as the question of attaching crops for the instalment due to a Co-operative Society, in the other British Indian Provinces and Indian States

I remain
Sir
Your Obt Servt
for Secy to Govt

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat 7th December 1938.

Dated, Bangalore, 8.12.38

No. D 5171 CS 11-36-310

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Local Self-Government Department.

To The Registrar of Co-operative Societies in Mysore,
Bangalore.

Sir,

Adverting to the correspondence ending with your letter No.214 dated the 12th July 1937 re: the amendment of Section 66 of the Mysore Co-operative Societies Act, I am directed to request you to kindly forward for information of Government regarding the practice, on the question of attaching crops for the instalment due to a Co-operative Society in the British Indian Provinces and other Indian States.

I have the honour th be,

Sir,

Your most obedient servant,

8/12/38

for Secretary to Government,
L.S.G. Department.

C.S. 11-36-311.

GOVERNMENT OF MYSORE.

No. .....7.3.2.8.. C. S. Enc. one

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" Bangalore

Dated Bangalore, ..12th.....December 1938.

3203

FROM

M. ABDUL HUKH, ESQ., B.A.,

Registrar of Co-operative Societies in Mysore,

BANGALORE.

To

P.H.Krishna Rao, Esq., M.A.,
Secretary to the Government of Mysore,
Local Self-Government Department, Bangalore.

Sir,

With reference to your letter No.D.5171/C.S.11-36-310 dated 7th/8th December 1938, calling for information regarding the practice on the question of attaching crops for the instalment due to a Co-operative Society, in the British Indian Provinces and other Indian States, I have the honour to state that such a provision is not found in the Bombay Co-operative Societies' Act, the Burmha Co-operative Societies' Act 1928, the Bihar and Orissa Co-operative Societies' Act 1935, or the Travencore Co-operative Societies' Regulation. In the Bengal Co-operative Societies' Act 1938, however, this provision (Section 94) is made in respect of Land Mortgage Banks only. The Madras Co-operative Societies' Act of 1932 does not confer this privilege on any society and the Land Mortgage Banks in Madras are governed by a separate enactment, known as the Land Mortgage Banks Act, in which this provision of distraint of crops is included. As far as ordinary co-operative societies are concerned, the only provisions in the Madras Statute Book in this respect are Section 57(A) of the Act and Rule 22 (4)(d) (copies enclosed for reference) under which the crops of a defaulter may be distrained for the amounts due to a co-operative society under an award or decree passed by the Registrar or Arbitrators and as such it is not on all fours with Section 66 of the Mysore Act. No special enactments have been passed in the Punjab, Central Provinces and United Provinces for the co-operative societies and the Old All India Act of 1912 is in force in these Provinces and there is no provision for distraint of crops in the said Act of 1912.

P.T.O.

I

I have called for information from Hyderabad and Baroda, but I think that the Acts there do not provide for distraint of crops for the recovery of the instalments due to a co-operative society. I may however add that it may not be possible to find an analogy to my recommendations in this respect as the Apex Banks of these Provinces and States are not finding themselves in the same predicament as our Apex Bank. Such a state of affairs did arise in Burma and the Burma Provincial Co-operative Bank went into liquidation when the Government of Burma had to finance that Bank to the extent of nearly 58 lakhs of rupees which remains unrecovered till to-day. With a view to prevent a collapse of this kind, and the contingency of Government having to lose a heavy sum of money, I have proposed the extension of the provision of the distraint of crops to the Apex Bank and the societies indebted to it, which will enable the Bank to rehabilitate itself. I am of opinion that this remedy is more efficacious in the present circumstances and less costly to Government. I therefore request that the facility may be extended to the Apex Bank and the societies indebted to it very early.

I have the honour to be,
Sir,
Your most obedient servant,

Registrar.

L.S.10/12.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Section 57(A) of Madras Act.

57(A). The Registrar or any person subordinate to him empowered by the Registrar in this behalf may, subject to such rules as may be prescribed by the Local Government and without prejudice to any other mode of recovery provided by or under this Act, recover -

Power of Registrar to recover certain sums by attachment and sale of property.

(a) any amount due under a decree or order of a Civil Court, a decision or an award of the Registrar or Arbitrator, or an order of the Registrar, obtained by a registered society including a financing bank or liquidator; or

(b) any sum awarded by way of costs under Section 41 to a registered society including a financing bank or to the Government; or

(c) any sum ordered under Section 47 to be recovered as a contribution to the assets of a society or as costs of liquidation; or

(d) any sum ordered under Section 49 to be repaid to a society or recovered as a contribution to its assets,

together with the interest, if any, due on such amount or sum and the costs of process, by the attachment and sale or by the sale without attachment of property of the person against whom such decree, decision, award or order has been obtained or passed.

****

Rule 22(4)(d) of the Rules under the Madras Co-operative Societies' Act.

Rule 24(4)(d) If crops or ungathered products of the land belonging to a defaulter are attached, the sale officer may cause them to be sold when fit for reaping or gathering, or at his option may cause them to be reaped or fathered in the season and stored in proper places until sold.

Distrained crops how dealt with.

In the latter case, the expense of reaping or gathering and storing such crops or products shall be defrayed by the owner upon his redeeming the property or from the proceeds of the sale in the event of its being sold.

****
" Copies"

for Registrar.

L.S.10/12.

Appendix F G—1]

SUBJECT.....

.....

.....

5 Copies

Section b.s.

File No. 11-36

Serial No. 314

Diary No. of letter replied to .....

No. D. 6850

To The Registrar of Co.

General and Revenue Secretariat

( )

the *193* .

Sir

Date of issue 20.1.29.

With reference to the correspondence ending with your letter No 7328 dated the 12th December 1928 on the amendment of Section 66 of the b.s. Act in order to apply it to other Co-operative Societies also I am directed to state that the Govt has already passed necessary orders ~~see no reason to~~ reconsider the matter ~~already passed in the matter~~

Signed by Jos W. Mc Rae

They are also in conformity with the practice in British Indian Provinces.

I have etc

for Secy to Govt

17.1.29

List of enclosures.....

Copied by.....

Examined by.....

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. D. 6850/C.S. 11-36-314. *Dated, Bangalore,* 19th January 1939.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Local Self-Government Department.

To

The Registrar of Co-operative Societies
in Mysore, Bangalore.

Sir,

With reference to the correspondence ending with your letter No. 7328 dated the 12th December 1938 regarding the amendment of Section 66 of the Co-operative Socieities Act in order to apply it to other Co-operative Societies also, I am directed to state that the orders already passed need no reconsideration. They are also in conformity with the practice in British Indian Provinces.

I have the honour to be,
Sir,
Your most obedient servant,

19.1.39

For Secretary to Government,
Local Self-Government Department.

jgn/3.

Proceedings of the meeting held in the Second Member's Chambers on 15-11-1938 with the Registrar of Co-operative Societies, Mr. C.S. Kuppaswamiengar, President of the Apex Bank and the Financial Secretary. The Revenue Commissioner Mr. K.V. Anantharaman was also good enough to be present.

The present position of the Apex Bank and measures necessary to place it on a satisfactory basis were considered on the basis of the notes prepared by the Registrar of Co-operative Societies and the President of the Bank. The recommendations and the conclusions are noted below:-

1. Immediate promise of a loan of Rs.4/- lakhs by Government to the Bank to infuse confidence among the public and to enable the Bank to meet the obligations that will arise before the close of the official year 1938-39.

The fluid resources of the Bank are hardly Rupees Four lakhs, while the current deposits held by it amount to Rs 2½ lakhs and the fixed deposits already matured for payment aggregate Rs.2.25 lakhs, and those maturing in the next nine months amount to Rs.four lakhs. Thus the Bank will have to meet the demand for more than Rupees eight lakhs during the next few months. The Bank has therefore to arrange for an immediate loan of at least Rupees four lakhs at as low an interest as possible. Government have already promised a loan of Rs.1.5 lakhs to the Apex Bank for advancing to House Building Societies and a Cash Credit of another two

two lakhs of Rupees making a total of Rs.3.5 lakhs. The Bank has already applied for the renewal of sanction to the loan of Rs.1.5 lakhs. This may be sanctioned. The President further requests that the restriction that it should be utilised only for advancing to House Building Societies may also be removed. This too may be done as the advances so far given to the House Building Societies are from the normal resources of the Apex Bank. The additional accommodation will thus be only Rs.50,000/-. The Financial Secretary said that there should be no difficulty in giving this relief.

2. Permission to raise debentures carrying interest at 3 to 3½ % to the extent of Rs.20 lakhs repayable in 20 to 25 years, Government guaranteeing both principal and interest.

The Bank holds(on 1-11-38) deposits to the extent of nearly Rs.27 lakhs. Against this the loans, cash credits and advances recoverable amount to nearly Rs.23.5 lakhs. While the demands from the depositors for withdrawals are increasing, the renewals of deposits and fresh deposits are not encouraging. On the other hand the Bank is finding it very difficult to collect the loans etc., which are mostly overdue. The Bank may have to spread the recovery of the arrears over a number of years varying from 20 to 25 years. In order to do this the Bank requires long term capital at a low rate of interest and proposes raising debentures as deposits amounting to nearly Rs.13 lakhs will also mature during the next three years. The total amount of debentures to be sanctioned may have to be Rs.20 lakhs, with the understanding that only such amount will be

be raised as is absolutely necessary to meet the demand. The debentures also will not be for raising fresh capital but only for converting the existing long term deposits carrying high rates of interest into debentures on a low rate of interest. The raising of the debentures will also enable the Bank to repay the (deposits/loans) bearing heavy rates of interest in some cases as high as 7½% - and thus save nearly Rs.50,000/- per annum in the shape of interest alone. It was suggested that the Financial Secretary may have an informal and personal discussion with Mr. Peradon, the Manager of the Bank of Mysore, to ascertain from the Bankers' point of view how far the assets and the ~~Bxx~~ liabilities of the Apex Bank would justify the raising of debentures and the guarantee by Government.

3. Improvement in recovery from Societies and the loan of services of 8 Inspectors from the Department for the purpose.

As most of the debts are frozen, the debts due by members have to be thoroughly examined with reference to security and repaying capacity and a consolidated bond for the principal and arrears of interest, (less any reasonable remission) on the same securities or additional securities, wherever available, will have to be taken. Attempts will have to be made to dispose of as quickly as possible, the lands purchased by the Societies and the Bank, in the execution of decrees or in land revenue sales and the execution of decrees pending in the Revenue Department expedited. This

This requires intensive and continuous attention. The Bank has all along depended upon the Departmental Inspector for attending to this work though asked to maintain from time to time an adequate field staff to attend to the supervision of Societies indebted to it. The Departmental Inspectors have found it difficult to attend to this work in addition to their normal routine work. The Bank has no doubt a staff of 5 Inspectors for 8 Districts, but their jurisdiction is too large. The loan of 8 Inspectors as in the case of the Land Mortgage Bank was therefore requested. It was suggested to the President that he might concentrate the efforts of 2 or 3 Inspectors in one area where the Overdues were highest and see what results this would produce. The Registrar was also requested to instruct his own Inspectors to examine the decrees pending in Taluk Offices and bring the causes of delay to the notice of the Amildar so that the execution may be expedited. The Revenue Commissioner may be requested to issue circular orders to all Amildars to give facilities both to the Inspectors of the Bank and the Departmental Inspectors for such examination.

4. To continue the appointment of Secretary for another two years, Government meeting his entire salary, allowances and pensionary contribution:

The present sanction expires by April 1939. The present Secretary has been examining the affairs of each indebted Society and is making suggestions for expediting recoveries and the rehabilitation of Societies.

Societies. This work involves time and so his services have to be continued for at least another two years. But in this critical period the Bank is not able to bear this additional expenditure. Hence the request. This question may be considered on i its merits.

5. Permission to make advances to non-member depositors on the security of their deposits may be continued for a few more years.

More than 82% of the deposits of the Bank are from individuals and about 18% from Societies. If the depositors are not accommodated in times of need they would go to other Banking institutions where they can get such accommodation. Since the facility was withdrawn the income by way of interest on these advances has fallen from about Rs. 14,000/- to about Rs. 6,000/- per annum. Whatever be the theoretical considerations this is a certain and secure source of income which the Bank can derive from non-members to the benefit of members. The amount of advances so given is also on an average about Rs. 1.5 lakhs against the deposits of nearly Rs. 25 lakhs. The concession may therefore be continued if legally permissible.

6. Application of Sections 60, 63, 65, 66, 67, 68, 70, 71, 73 and 75 of the Co-operative Societies Act to the Societies indebted to the Apex Bank:

These in effect amount to the same facilities being extended to the Apex Bank as to the Land Mortgage Bank. As the Apex Bank has in the past done the work of the

the Land Mortgage Bank by giving long term loans on the mortgage of lands, which has led to its present financial difficulties, the request seems to be reasonable and may be sympathetically examined. The question of attaching crops for instalments pertaining to one year may be re-examined with reference to the practice in other Provinces.

7. Reduction of expenditure on staff:

The Registrar thinks that there must be some retrenchment in staff and that the scale of salaries in the Bank is liberal compared with salaries in Government Offices and other Cooperative Institutions to persons of similar work and qualifications. The President may examine this question thoroughly and effect suitable retrenchments.